



MCCA, Inc.
38 Old Ridgebury Road
Danbury, CT 06810
203-792-4515
www.mccaonline.com

February 13, 2013

Dear Senator Gerratana, Representative Dillon and Members of the Appropriations Committee:

I am Joseph Sullivan, President and CEO of MCCA, a sizable addiction treatment and services organization serving western Connecticut, headquartered in Danbury with 11 sites in the western part of the state. We serve 7,000 people per year. Thank you for the opportunity to speak with you tonight about the DMHAS budget. I want to address the \$21,000,000 reduction in the grant accounts for FY2014 and the \$42,000,000 reduction for FY 2015. Specifically, I want to talk about the reductions to the substance abuse grants account. That account will be reduced by almost \$6,000,000. That grant account, which currently in this fiscal year, is almost \$25,000,000 will be at roughly \$19,000,000 for the next fiscal year if approved as is. Furthermore, in FY2015 it will be reduced to roughly \$13,000,000. We appreciate that the Affordable Care Act and its corresponding expansion of Medicaid eligibility and increased coverage of other forms of insurance will appropriately create an opportunity for some reduction in the substance abuse services grants. However, I have multiple concerns:

1. We are not sure how the reduction numbers were arrived at. So, therefore, we cannot speak to their validity or their reliability. The

reduction could be too high or could be, for all we know, although unlikely, too low. We just don't know where they came from.

2. These reductions seem to assume based upon the narrative that as of January 1 of 2014, everybody will have health insurance. I believe that that is unlikely. It will take some time to achieve 100% of the population of this state or of this country to be covered due to enrollment issues and possibly some people or employers choosing not to have insurance coverage and just pay the fine or the tax.
3. We do not know how deductibles, co-pays or in the case of Medicaid spend-downs were factored into the calculations that generated these recommended reductions in the grant accounts. We do not believe that it is good public policy to turn away people with addictive disorders who do not have the wherewithal to pay for co-pays and large deductibles. Yet if they are serviced at no charge without having a grant to support non-profit providers of substance abuse care, we would be digging our financial hole deeper.
4. Currently, Medicaid rates are well below the actual cost of delivery of service for certain levels of care. For example, MCCA operates a 12-bed detoxification program. The cost per day per patient is \$420 and the Medicaid rate is \$340.38, roughly an \$80, or a 20% shortfall. In the case of services by psychiatrists, the typical rate for CPT code 99205 is \$119.07. Our cost for a psychiatrist is typically, if we are lucky, \$150 per hour. When the service is actually delivered, that means a \$30.93 shortfall to say nothing of the administrative costs of facility, billing, receptionist and other office staff, and it assumes that all appointments are kept, and there is no such thing as no shows, and that 100% of the

psychiatrist's time is spent in actually delivering billable services rather than documentation, medical records, and writing reports for referral sources to satisfy sound practice as well as regulatory requirements. Without grants to cover non-billable services that support treatment, we could not continue to exist.

In short, please make sure that you know where these numbers came from, how they were arrived at and that they are valid and reliable. A mistake here will risk seriously destabilizing an already fragile system of care.

Respectfully,

Joseph J. Sullivan, LCSW
President and CEO
MCCA
38 Old Ridgebury Road
Danbury, CT 06810

